1	FEDERAL ELECTION COMMISSION		
2 .	FIRST GENERAL COUNSEL'S REPORT		
3 4 5 6 7		MUR: 7217  DATE COMPLAINT FILED: February 17, 2017  DATE OF NOTIFICATION: February 24, 2017  LAST RESPONSE RECEIVED: May 23, 2017  DATE ACTIVATED: June 15, 2017	
8 9 10		EXPIRATION OF SOL: November 8, 2021 ELECTION CYCLE: 2016	
11 12	COMPLAINANT:	Republican Party of New Mexico	
13 14 15 16 17 18	RESPONDENTS:	Soules for US Congress and Laura Garcia in her official capacity as treasurer Merrie Lee Soules Aero Newton, Inc. Aero Flight Club of Las Cruces, Inc. Brent E. Shelley	
20 21 22 23 24 25	RELEVANT STATUTES AND REGULATIONS:	52 U.S.C. § 30114(c)(2) 52 U.S.C. § 30118(a) 11 C.F.R. § 100.93(c)(2) 11 C.F.R. § 113.5(b)	
26 27	INTERNAL REPORTS CHECKED:	Disclosure Reports	
28 29	FEDERAL AGENCIES CHECKED:	None	
30 31	I. INTRODUCTION		
32	The Complaint alleges that Aero N	ewton, Inc. ("Aero Newton") made, and Merrie Lee	
33	Soules, Soules for US Congress, and Laura	a Garcia in her official capacity as treasurer <sup>1</sup> ("the	
34	Committee") accepted, a prohibited in-kin	d corporate contribution in the form of non-	
35	commercial air travel in violation of the Fe	ederal Election Campaign Act of 1971, as amended	
36	(the "Act"), and Commission regulations. <sup>2</sup>	Soules and the Committee implicitly acknowledge	

Maryann Hendrickson was the Committee's treasurer at the time the complaint was filed. The Committee filed a revised Statement of Organization naming Garcia as treasurer on May 25, 2017.

<sup>&</sup>lt;sup>2</sup> Compl. at 2-3 (Feb 17, 2017).

- that she and her staff accepted travel on a non-commercial airplane, but they argue that any
- 2 violation of the Act or Commission regulations was unintentional and any associated in-kind
- 3 contribution was from the pilot, Brent E. Shelley, rather than a corporate entity.<sup>3</sup> Shelley admits
- 4 to flying Soules and "her associates" throughout the state as described in the Complaint, but
- states he was unaware of the non-commercial travel prohibition.<sup>4</sup> Based on the available
- 6 information, we recommend the Committee find reason to believe that Soules and the Committee
- 7 violated 52 U.S.C. § 30114(c)(2) and 11 C.F.R. §§ 100.93(c)(2) and 113.5(b), and investigate to
- 8 determine the total value and source of the non-commercial travel. We recommend that the
- 9 Commission take no action at this time with respect to Aero Newton, Inc., Aero Flight Club of
- 10 Las Cruces, Inc., and Brent E. Shelley.

#### 11 II. FACTUAL BACKGROUND

- Soules was a House candidate in the Second Congressional District of New Mexico
- during the 2016 election cycle, and the Committee was her principal campaign committee. <sup>5</sup> The
- 14 Complaint alleges that Soules and a Committee staffer used a non-commercial airplane owned
- by Aero Newton to fly to several campaign events on Election Day, November 8, 2016.<sup>6</sup> The
- 16 Complaint attaches photographs of Soules and others near a single-propeller-engine Cessna
- 17 Model 182H ("airplane").<sup>7</sup>

Soules Resp. (May 18, 2017); Aero Newton Resp. (Feb. 28, 2017).

Shelley Resp. at 2 (Aug. 24, 2017).

<sup>5</sup> Statement of Organization, Soules for US Congress (Feb. 1, 2016).

<sup>6</sup> Compl. at 1-3. The Complaint is unclear as to whether Soules traveled with one staff member or two. The Complaint identifies one other staff member by name, but the pictures attached to the Complaint show a total of four people, including the pilot Shelley.

Compl. at 2, Attach. A; see also CESSNA 1965 182H SKYLANE - PLANE & PILOT MAGAZINE, http://www.planeandpilotmag.com/article/cessna-1965-182h-skylane (last visited Aug. 10, 2017).

9

10

11

12

13

14

15

Soules implicitly admits traveling on the non-commercial airplane, but argues that the

- 2 travel should be classified as an in-kind contribution from Shelley, rather than a prohibited
- 3 corporate contribution. She explains that Shelley was allocated flight time as a member of the
- 4 Aero Flight Club of Las Cruces, Inc. ("Club"), a non-profit flight club incorporated in New
- 5 Mexico. 8 Soules states that the Committee would report the corresponding in-kind contribution
- 6 "on [their] next report," and she was taking steps to close the Committee's campaign account.9
- 7 As of the date of this General Counsel's report, the Committee has not reported contributions or
- 8 disbursements with regard to the airplane travel.

Aero Newton acknowledges owning the airplane Soules and the Committee used but claims that it leased the airplane to the Club.<sup>10</sup> Aero Newton states that the Club has exclusive use of the airplane and that it "verified that a member of the flight club had the airplane" on a flight on November 7-8, 2016.<sup>11</sup> Shelley confirms that he was a member of the Club and had, at Soules's request, "provided Ms. Soules and her associates travel throughout the state" in the leased airplane.<sup>12</sup> He states that he flew Soules and her staff in the plane solely to log flight

hours towards additional pilot certifications. 13 Shelley does not indicate whether he reimbursed

Soules Resp. The Committee's former treasurer, Hendrickson, filed a separate response in her personal capacity. See Hendrickson Resp. (May 23, 2017).

<sup>&</sup>lt;sup>9</sup> Id. The Committee has not sought termination, and even if it had, that request would be denied because of this case's pendency.

<sup>10</sup> Aero Newton Resp.

<sup>&</sup>lt;sup>11</sup> *Id*.

Shelley Resp. at 2 (Aug. 24, 2017). Shelley explained that he offered to fly Soules to "increase [his] pilotage hours," that he was unaware of the campaign finance implications, and that he is "simply a man that loves to fly." *Id.* 

<sup>&</sup>lt;sup>13</sup> *Id*.

- the Club for the airplane's use, but asserts that the flight was not a gift from Aero Newton. 14 The
- 2 Committee's disclosure reports do not show any contributions from Shelley, the Club, or Aero
- 3 Newton, Inc. The Club did not respond to the Complaint. 15

## 4 III. LEGAL ANALYSIS

- 5 The Honest Leadership and Open Government Act of 2007 ("HLOGA") amended the
- 6 Act to prohibit House candidates from making any expenditure for non-commercial air travel. 16
- 7 Commission regulations similarly prohibit House candidates from accepting in-kind
- 8 contributions of non-commercial air travel. 17 The prohibition on House candidates' non-
- 9 commercial air travel applies to any "campaign traveler," which includes "any candidate
- traveling in connection with an election for Federal office or any individual traveling in
- connection with an election for Federal office on behalf of a candidate or political committee." 18
- During the 2016 election cycle, the Act prohibited any person from making a contribution
- to any candidate or the candidate's authorized committee with respect to a federal election

<sup>14</sup> *Id*.

Hendrickson's separate response states that she did not know about the flights and did not willingly omit their value from the Committee's reports. Hendrickson Resp. at 1-2. Hendrickson also states that she was not aware of the travel before receiving notification of the Complaint, and other Committee staff had taken over *de facto* treasurer duties prior to the alleged violations. *Id.* at 2. There does not appear to be any information in the record that would support a finding against Hendrickson in her personal capacity. *See Statement of Policy Regarding Treasurers Subject to Enforcement Proceedings*, 70 Fed. Reg. 3 (Jan. 3, 2005).

<sup>52</sup> U.S.C. § 30114(c)(2). Two exceptions to the prohibition exist—travel on government-operated aircraft and travel on aircraft owned or leased by the candidate—but neither exception applies here. 52 U.S.C. § 30114(c)(2)(B), (3).

<sup>11</sup> C.F.R. §§ 100.93(c)(2), 113.5(b). Commercial travel is defined as travel aboard "an aircraft operated by an air carrier or commercial operator certificated by the Federal Aviation Administration, provided that the flight is required to be conducted under FAA air carrier safety rules...." 11 C.F.R. § 100.93(a)(3)(iv)(A); see also 11 C.F.R. §§ 100.93(a)(3)((v) (defining "non-commercial travel" as travel that is not commercial travel)..

<sup>18</sup> Id. § 100.93(a)(3)(i)(A).

- which, in the aggregate, exceeded \$2,700.<sup>19</sup> No candidate, officer, or employee of a political
- 2 committee shall knowingly accept any contribution that exceeds the contribution limits.<sup>20</sup> In
- addition, corporations are prohibited from contributing to candidates' authorized committees,
- 4 and a candidate's committee may not knowingly accept prohibited corporate contributions.<sup>21</sup>
- 5 Soules implicitly admits that she and her staff were "campaign travelers" by
- 6 acknowledging that they traveled by airplane to "reach as many people as possible on election
- day."<sup>22</sup> Neither the Club nor Shelley are air carriers or commercial operators "certificated by the
- 8 Federal Aviation Administration," thus, the travel on the airplane was non-commercial travel.<sup>23</sup>
- 9 Further, Soules's argument that her Committee was permitted to accept flights from Shelley
- suggests that she does not understand that, subject to exceptions not applicable here, House
- candidates are prohibited from accepting non-commercial air travel from any source, individual
- or corporate. Thus, the available information demonstrates that there is reason to believe that
- 13 Soules and the Committee accepted prohibited campaign-related non-commercial air travel.
- The provision of such non-commercial travel is considered an in-kind contribution to the
- 15 Committee from the "service provider," 24 which Commission regulations define as either the

<sup>52</sup> U.S.C. § 30116(a)(1)(A). A contribution "includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office." *Id.* § 30101(8)(a)(i).

<sup>20</sup> *Id.* § 30116(f).

<sup>52</sup> U.S.C. § 30118(a); Advisory Op. 2010-11 (Commonsense Ten) (citing Citizens United v. FEC, 558 U.S. 310, 359 (2010)); Carey v. FEC, 791 F. Supp. 2d 121 (D.D.C. 2011).

See Soules Resp. at 1; 11 C.F.R. §§ 100.93(a)(3)(i)(A), 100.93(a)(3)(ii).

The Federal Aviation Administration's Airline Certification Information database contains no record of a certification for "Aero Flight Club of Las Cruces, Inc." or any similarly named entity. See FEDERAL AVIATION ADMINISTRATION AIRLINE CERTIFICATE INFORMATION, http://av-info.faa.gov/OperatorsName.asp (last visited Jul. 19, 2017).

<sup>&</sup>lt;sup>24</sup> See 11 C.F.R. § 113.5(d).

- owner, lessor, or other individual who obtains the legal right to use the aircraft.<sup>25</sup> The available
- 2 information is insufficient to determine if the service provider of non-commercial travel to
- 3 Soules and the Committee is the Club or Shelley, and consequently, we cannot determine if the
- 4 contribution is a prohibited corporate contribution from the Club or a potentially excessive
- 5 contribution from Shelley. Specifically, we need to learn whether Shelley reimbursed the Club
- for his use of the airplane. <sup>26</sup> If Shelley did, he is the "service provider;" if not, the Club is.
- Regardless of the identity of the contributor, the value of the resulting in-kind
- 8 contribution is the "fair market value of the normal and usual charter fare or rental charge for a
- 9 comparable aircraft of comparable size."<sup>27</sup> We do not know exactly where Soules and her staff
- 10 flew with Shelley, but the Complaint alleges that they flew to three locations and traveled
- approximately eight hours.<sup>28</sup> Based on this allegation and publicly available hourly rental rates
- for a similar plane, we estimate the fair market value of the flights to be between \$1,920 and
- 13 \$3,000.<sup>29</sup> An investigation would be necessary to make a more precise valuation.<sup>30</sup>

<sup>&</sup>lt;sup>25</sup> See 11 C.F.R. § 100.93(a)(3)(ii); see also MUR 6421 (Benishek).

See AO 1978-20 (Davis). In this pre-HLOGA advisory opinion, the Commission advised that an individual member of an incorporated, non-profit flight club could use the club's plane as a volunteer to transport campaign personnel if either the member or the campaign reimbursed the club in advance. Although the regulations regarding use of corporate aircraft were later moved from 11 C.F.R. § 114(e) to 11 C.F.R. § 100.93 and revised to include aircraft owned by non-corporate entities, the general framework regarding reimbursement for personal use of corporate aircraft was unchanged until HLOGA. See Travel on Behalf of Candidates and Political Committees, 68 Fed. Reg. 69583 (Dec. 15, 2003). While HLOGA was "frequently characterized by its sponsors as an effort to end subsidization of air travel provided by corporations, "there is no indication that HLOGA was intended to supersede the pre-HLOGA approach to determining whether a travel provider is a corporate or non-corporate entity. Campaign Travel, 74 Fed. Reg. 63951, 63952 n.4 (Dec. 7, 2009).

<sup>&</sup>lt;sup>27</sup> 52 U.S.C. § 30114(c)(1)(2); 11 C.F.R. § 100.93(c)(1); see also MUR 6421 (Benishek).

Compl. at 2.

The estimate is based on eight hours of flight time and a charter rate of between \$240-375 per hour. Absent more specific information about the actual flight plan from either the Complainant or the Respondents, the flight time estimate is based on the assertion in the Complaint that the flights "used at least eight hours of flight time." See Id. The hourly charter rate was determined using publicly available charter rates for a Cessna 182 which include both the cost of fuel and a pilot. See CHARTER HUB CESSNA 182 SKYLINE FOR CHARTER, http://www.charterhub.com/listings/airplane/for-charter/1411595/cessna-182-skylane (last visited Jun. 28, 2017)

- The Commission has previously found reason to believe and investigated potential
- 2 violations of section 30114(c)(2) in several matters.<sup>31</sup> The most factually similar matter is MUR
- 3 6421 (Benishek), in which the Commission found reason to believe and investigated to
- 4 determine the value of two trips the candidate made with a pilot in a similar plane.<sup>32</sup>
- 5 Accordingly, we recommend that the Commission find reason to believe that Soules and the
- 6 Committee violated 52 U.S.C. § 30114(c)(2), 11 C.F.R. § 100.93(c)(2), and 11 C.F.R. § 113.5(b)
- by accepting prohibited non-commercial travel. Additionally, we recommend that the
- 8 Commission investigate to learn the value of the flights and identify the flights' "service
- 9 provider" to determine whether the Committee also accepted a prohibited corporate contribution
- in connection with the travel. Because the identity of the service provider of the flights is
- unclear, we recommend that the Commission take no action at this time as to Aero Newton, Inc.,
- 12 Aero Flight Club of Las Cruces, Inc., and Brent Shelley. 33

(\$300/hr, including fuel); CESSNA-PISTON SINGLE CHARTER AIRPLANE, http://www.aircharterguide.com/AirplaneSearch.aspx?AirplaneMake=CESSNA&AirplaneCategory=Piston-Single&AirplaneModel=CE-182H (last visited June 28, 2017) (\$375/hr, including fuel); CHARTER – BAKER AIRPLANE, http://bakerairplane.com/charter (\$240/hr, including fuel).

- We would need to learn the particulars of all of the legs of the trip, and the total actual flight time.
- See MUR 6421 (Dan Benishek, et al); MUR 6394 (Rochelle M. Pingree, et al); and MUR 6918 (Aaron Schock, et al.) (open matter).
- The Commission ultimately took no further action as to the respondents because evidence developed during the investigation revealed that one of the two flights was not campaign-related, and the value of the second was much less than the figure the Committee reported on its disclosure reports. Even so, the Commission cautioned Benishek because his violation of HLOGA was clear. See MUR 6421, Second Gen. Counsel's Rpt.; Certification (Feb. 7, 2013). Chairman Walther joined three other Commissioners in the "no further action/caution" finding; he and Commissioner Weintraub also issued a Statement of Reasons opining that a civil penalty was warranted. Statement of Reasons, Comm'rs Walther and Weintraub, MUR 6421 (Benishek) at 2-3.
- If the Club was the service provider for the flights, the entire unreimbursed value of the flights would also be a prohibited corporate in-kind contribution. If, instead, Shelley was the service provider, the in-kind contribution would be attributable to him personally. Although HLOGA and Commission regulations prohibit an in-kind contribution of any amount from an individual for non-commercial travel by House candidates, the Commission has considered whether such a contribution complies with the individual service provider's contribution limit. See MUR 6394 (Pingree). Shelley made no other reported contributions to the Committee, so if the value of the flights was near the high end of our preliminary estimate, it is possible that Shelley exceeded the \$2,700 individual contribution limit, albeit by a small amount.

1

7

# IV. PROPOSED INVESTIGATION

- We plan to obtain information on the precise flight plan that Shelley used to transport
- 3 Soules and Committee staff, gather estimates for similar flight plans from commercial charter
- 4 providers, and determine whether and if so, how much Shelley reimbursed the Club in
- 5 advance for the use of the plane. Although we plan to use informal investigative methods, we
- 6 recommend that the Commission authorize the use of compulsory process as necessary.

#### V. RECOMMENDATIONS

- 1. Find reason to believe that Merrie Lee Soules, Soules for US Congress and Maryann
  Hendrickson in her official capacity as Treasurer violated 52 U.S.C. § 30114(c)(2),
  11 C.F.R. § 100.93(c)(2), and 11 C.F.R. § 113.5(b);
- 11 2. Take no action at this time as to Aero Newton, Inc., Aero Flight Club of Las Cruces, Inc., and Brent E. Shelley;
- 3. Authorize the use of compulsory process, as necessary;
- 4. Approve the attached Factual and Legal Analysis; and
- 15 5. Approve the appropriate letters.

MUR 7217 (Soules for US Congress, et al.) First General Counsel's Report Page 9 of 9

1		Lisa J. Stevenson
2		Acting General Counsel
3	•	
4		
5		Kathleen M. Guith
6	•	Associate General Counsel for Enforcement
7	·	
8	40.0.47	Itale Gano
9	10.6.17	supra for
10	Date	Stephen Gura
11		Deputy Associate General Counsel
12	. ,	for Enforcement
13	• •	•
14		Lynn Tran by Sq
15	•	Lyan Iran by Sy
16	•	Lydii I. Itali 0 0
17		Assistant General Counsel
18		
19		
20		Care
21		Ray L. Wolcott
22	•	Attorney
23		
24		
25	Attachment	
26	Factual and Legal Analysis	

# FEDERAL ELECTION COMMISSION

2	FACTUAL AND LEGAL ANALYSIS
3 4 5	RESPONDENTS: Merrie Lee Soules MUR 7217 Soules for US Congress and Laura Garcia in her official capacity as treasurer
6	I. INTRODUCTION
7	The Complaint alleges that Aero Newton, Inc. ("Aero Newton") made, and Merrie Lee
8	Soules, Soules for US Congress, and Laura Garcia in her official capacity as treasurer <sup>1</sup> ("the
9	Committee") accepted, a prohibited in-kind corporate contribution in the form of non-
0	commercial air travel in violation of the Federal Election Campaign Act of 1971, as amended
1	(the "Act"), and Commission regulations. <sup>2</sup> Soules and the Committee implicitly acknowledge
2	that she and her staff accepted travel on a non-commercial airplane, but they argue that any
3	violation of the Act or Commission regulations was unintentional and any associated in-kind
4	contribution was from the pilot, Brent E. Shelley, rather than a corporate entity. <sup>3</sup> Based on the
5	available information, the Commission finds reason to believe that Soules and the Committee
6	violated 52 U.S.C. § 30114(c)(2) and 11 C.F.R. §§ 100.93(c)(2) and 113.5(b).
7	II. FACTS
8	Soules was a House candidate in the Second Congressional District of New Mexico
9	during the 2016 election cycle, and the Committee was her principal campaign committee. <sup>4</sup> The
20	Complaint alleges that Soules and a Committee staffer used a non-commercial airplane owned

Maryann Hendrickson was the Committee's treasurer at the time the complaint was filed. The Committee filed a revised Statement of Organization naming Garcia as treasurer on May 25, 2017.

<sup>&</sup>lt;sup>2</sup> Compl. at 2-3 (Feb 17, 2017).

<sup>&</sup>lt;sup>3</sup> Soules Resp. (May 18, 2017).

Statement of Organization, Soules for US Congress (Feb. 1, 2016).

MUR 7217 (Soules for US Congress, et al.) Factual & Legal Analysis Page 2 of 5

- by Aero Newton to fly to several campaign events on Election Day, November 8, 2016. The
- 2 Complaint attaches photographs of Soules and others near a single-propeller-engine Cessna
- 3 Model 182H ("airplane").6
- 4 Soules implicitly admits traveling on the non-commercial airplane, but argues that the
- 5 travel should be classified as an in-kind contribution from Shelley, rather than a prohibited
- 6 corporate contribution. She explains that Shelley was allocated flight time as a member of the
- 7 Aero Flight Club of Las Cruces, Inc. ("Club"), a non-profit flight club incorporated in New
- 8 Mexico. Soules states that the Committee would report the corresponding in-kind contribution
- 9 "on [their] next report," and she was taking steps to close the Committee's campaign account.8
- 10 The Committee has not reported contributions or disbursements with regard to the airplane
- 11 travel.
- The information available to the Commission indicates that the airplane Soules and the
- 13 Committee used is leased by the Club, which has exclusive use of the airplane. The available
- 14 information also indicates that Shelley had access to the plane as a member of the Club and used
- the plane to fly Ms. Soules and her associates travel throughout the state. The Committee's
- disclosure reports do not show any contributions from Shelley, the Club, or Aero Newton, Inc.

<sup>&</sup>lt;sup>5</sup> Compl. at 1-3. The Complaint is unclear as to whether Soules traveled with one staff member or two. The Complaint identifies one other staff member by name, but the pictures attached to the Complaint show a total of four people, including the pilot Shelley.

<sup>6</sup> Compl. at 2, Attach. A; see also CESSNA 1965 182H SKYLANE - PLANE & PILOT MAGAZINE, http://www.planeandpilotmag.com/article/cessna-1965-182h-skylane (last visited Aug. 10, 2017).

<sup>&</sup>lt;sup>7</sup> Soules Resp.

Id.

MUR 7217 (Soules for US Congress, et al.) Factual & Legal Analysis Page 3 of 5

## 1 III. LEGAL ANALYSIS

- The Honest Leadership and Open Government Act of 2007 ("HLOGA") amended the
- 3 Act to prohibit House candidates from making any expenditure for non-commercial air travel.9
- 4 Commission regulations similarly prohibit House candidates from accepting in-kind
- 5 contributions of non-commercial air travel. 10 The prohibition on House candidates' non-
- 6 commercial air travel applies to any "campaign traveler," which includes "any candidate
- 7 traveling in connection with an election for Federal office or any individual traveling in
- 8 connection with an election for Federal office on behalf of a candidate or political committee."11
- 9 During the 2016 election cycle, the Act prohibited any person from making a contribution
- 10 to any candidate or the candidate's authorized committee with respect to a federal election
- which, in the aggregate, exceeded \$2,700.12 No candidate, officer, or employee of a political
- 12 committee shall knowingly accept any contribution that exceeds the contribution limits. 13 In
- 13 addition, corporations are prohibited from contributing to candidates' authorized committees,
- and a candidate's committee may not knowingly accept prohibited corporate contributions. 14

<sup>52</sup> U.S.C. § 30114(c)(2)Two exceptions to the prohibition exist—travel on government-operated aircraft and travel on aircraft owned or leased by the candidate—but neither exception applies here. 52 U.S.C. § 30114(c)(2)(B), (3).

<sup>11</sup> C.F.R. §§ 100.93(c)(2), 113.5(b). Commercial travel is defined as travel aboard "an aircraft operated by an air carrier or commercial operator certificated by the Federal Aviation Administration, provided that the flight is required to be conducted under FAA air carrier safety rules...." 11 C.F.R. § 100.93(a)(3)(iv)(A); see also 11 C.F.R. §§ 100.93(a)(3)((v) (defining "non-commercial travel" as travel that is not commercial travel)...

<sup>11</sup> Id. § 100.93(a)(3)(i)(A).

<sup>52</sup> U.S.C. § 30116(a)(1)(A). A contribution "includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office." *Id.* § 30101(8)(a)(i).

<sup>13</sup> Id. § 30116(f).

<sup>52</sup> U.S.C. § 30118(a); Advisory Op. 2010-11 (Commonsense Ten) (citing Citizens United v. FEC, 558 U.S. 310, 359 (2010)); Carey v. FEC, 791 F. Supp. 2d 121 (D.D.C. 2011).

15

16

17

Shelley.

MUR 7217 (Soules for US Congress, et al.) Factual & Legal Analysis Page 4 of 5

Soules implicitly admits that she and her staff were "campaign travelers" by 1 2 acknowledging that they traveled by airplane to "reach as many people as possible on election 3 day,"<sup>15</sup> Neither the Club nor Shelley are air carriers or commercial operators "certificated by the Federal Aviation Administration," thus, the travel on the airplane was non-commercial travel. 16 4 Further, Soules's argument that her Committee was permitted to accept flights from Shelley 5 suggests that she does not understand that, subject to exceptions not applicable here, House 6 candidates are prohibited from accepting non-commercial air travel from any source, individual 7 8 or corporate. 9 The provision of such non-commercial travel is considered an in-kind contribution to the Committee from the "service provider," which Commission regulations define as either the 10 owner, lessor, or other individual who obtains the legal right to use the aircraft. 18 The available 11 12 information is insufficient to determine if the service provider of non-commercial travel to 13 Soules and the Committee is the Club or Shelley, and consequently, whether the contribution is a 14 prohibited corporate contribution from the Club or a potentially excessive contribution from

Regardless of the identity of the contributor, the value of the resulting in-kind contribution is the "fair market value of the normal and usual charter fare or rental charge for a

See Soules Resp. at 1; 11 C.F.R. §§ 100.93(a)(3)(i)(A), 100.93(a)(3)(ii).

The Federal Aviation Administration's Airline Certification Information database contains no record of a certification for "Aero Flight Club of Las Cruces, Inc." or any similarly named entity. See FEDERAL AVIATION ADMINISTRATION AIRLINE CERTIFICATE INFORMATION, http://av-info.faa.gov/OperatorsName.asp (last visited Jul. 19, 2017).

<sup>&</sup>lt;sup>17</sup> See 11 C.F.R. § 113.5(d).

See 11 C.F.R. § 100.93(a)(3)(ii); see also MUR 6421 (Benishek).

MUR 7217 (Soules for US Congress, et al.)
Factual & Legal Analysis
Page 5 of 5

- 1 comparable aircraft of comparable size." 19 Although it is not clear where Soules and her staff
- 2 flew with Shelley, the Complaint alleges that they flew to three locations and traveled
- 3 approximately eight hours.<sup>20</sup> Based on this allegation and publicly available hourly rental rates
- 4 for a similar plane, the fair market value of the flights is estimated to be between \$1,920 and
- 5 \$3,000.21
- 6 Accordingly, the Commission finds reason to believe that Soules and the Committee
- 7 violated 52 U.S.C. § 30114(c)(2), 11 C.F.R. § 100.93(c)(2), and 11 C.F.R. § 113.5(b) by
- 8 accepting prohibited non-commercial travel.

<sup>&</sup>lt;sup>19</sup> 52 U.S.C. § 30114(c)(1)(2); 11 C.F.R. § 100.93(c)(1); see also MUR 6421 (Benishek).

Compl. at 2.